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DEC 17 2007



Todd Portune
Hamilton County Administrator's Office

Interdepartmental Memorandum

To: Board of County Commissioners

From: Patrick Thompson, County Administrator 

Date: December 17, 2007

Re: 2007 County Administration Work Plan Outcomes

This memo serves as a self-assessment of my performance as Hamilton County Administrator during 2007 to assist the Board of County Commissioners in your evaluation of my performance this past year. This assessment is organized into the following sections:

- I. OVERVIEW
- II. FISCAL STEWARDSHIP
- III. MAJOR INITIATIVES
- IV. RELATIONSHIP BUILDING
- V. ORGANIZATIONAL IMPROVEMENTS
- VI. STRATEGIC ISSUES
- VII. RECOMMENDED 2008 FOCUS AREAS

I. OVERVIEW

By all accounts, 2007 has been a dynamic year. The year began with a new Board and the need to complete the 2007 budget process. The County regrouped from the defeat of the 2006 jail proposal and addressed head-on a major public safety issue with the Comprehensive Safety Plan; the regional economy and County's financial position have declined, significant progress was made on the special audits of the County's Job and Family Services Department, key management positions were filled, and we are close to completing the 2008 budget after addressing an estimated \$35 million general fund deficit.

After completion of the 2007 budget, the Administration developed a Management Work Plan (Attachment A) to address the Board's 2007 budget goals (Attachment B). We have provided the Board monthly reports on the work plan. In developing the work plan and with the departure of Deputy County Administrator Ron Roberts and Job and Family Services Director Rick Roberts, we reorganized the County Administration leadership team to ensure we have assigned responsibilities

and senior level contacts for each area of County government. Attachment C includes the current County Administration organizational chart. This management structure, as well as the very capable persons who form my leadership team, has improved the County's responsiveness and awareness of many issues impacting the County.

I am pleased to report progress on many fronts. Major issues are still evolving, challenges remain, and much work lies ahead.

II. FISCAL STEWARDSHIP

A. I consider fiscal stewardship to be a top priority of any County Administrator. County Administration must:

1. Develop and monitor the budget within established controls;
2. Protect the County's assets and financial interests; and
3. Maintain the confidence of the credit markets.

B. The following summarizes 2007 efforts concerning fiscal stewardship:

1. A balanced 2007 budget was unanimously approved by the Board on February 14, 2007.
2. The monthly budget status report was enhanced to clearly identify departments that are projecting expenditures above approved funding levels.
3. The level of additional budget year-end appropriations for 2007 reflects a 50% decrease from the 2006 year end adjustments as the County budget is right-sized to known cost drivers and realistic revenue projections.
4. County Administration developed, and the Board unanimously approved, a comprehensive, strong general fund reserve policy.
5. The County issued \$72.4 million in revenue bond debt for the Metropolitan Sewer District at superior interest rates. This was accomplished without change in the district's credit rating despite the lack of general government financial statements, continued negotiations on the global consent decree, and the bond rating agency comments on the County's general obligation debt.
6. County Administration facilitated mid-year 2007 budget reductions to continue inmate boarding in Butler County through the end of 2007. The Administration successfully negotiated a termination to the existing Butler County jail agreement.
7. The County continued its transition to a consumer-based employee health care system that encourages employees to become more informed and cost conscious in their access to health care. Plan adjustments in 2007 resulted in the cost avoidance of a 10% increase in 2008, a \$4 million savings compared to original cost projections for the prior plan, and a 5% savings from 2007. A cap on health insurance cost increases of 7% was achieved for 2009. Substantial savings were also achieved in the renewal of the employee assistance program and the voluntary life insurance benefit. Dental insurance was renewed for 2008

with no increase.

8. The County Administrator's recommended 2008 budget was released 4 weeks sooner than normal to allow for extensive deliberation, public participation and dialogue.
9. County Administration and the County's financial advisors worked with Moody's Investors Service to reassure the County's commitment to strong financial management. Preparations are in progress for the County Administrator and the Board to meet with Moody's in early 2008.
10. Printing Services was approved for formal managed competition and seven bids were received and are under review.
11. The 2007 Approved Budget Document was awarded the Distinguished Budget Presentation award by the Government Finance Officers Association.

III. MAJOR INITIATIVES

A. Public Safety

1. *Comprehensive Safety Plan.* Support was provided to the Board of Commissioners in developing a funding plan for jail facility development, and corrections/criminal justice reforms.
2. *Jail Site Identification and Pre-Development Efforts.* The donation of the Kahn's/Sara Lee property was facilitated by staff. Various other pre-development efforts related to the preferred site were implemented.
3. *Criminal Justice Commission (CJC) Support.* County Administration provides ongoing support to the CJC and its sub-committees.
4. *Emergency Siren Expansion.* Through work with EMA and TPAT, the full amount of State Homeland Security Grant funds (\$680,000) has been dedicated to the siren expansion project. The project will be coordinated through a phased installation that matches the available financing for the project.
5. *Communication Center Upgrades.* A pilot program for the implementation of the Next Generation 911 technologies was initiated. Significant planning efforts occurred in 2007 for an upgrade of the voice-tone alerting system which will be implemented in 2008.
6. *Emergency Tone Alert System.* The replacement of the County's tone alerting system in fire houses across the County was developed and included in the 2008 recommended budget.

B. Quality of Life

1. *Increase Medicaid Enrollment.* The FreeStore Food Bank was identified as administrative partner for the enhanced enrollment outreach program. Roll out of the program is expected

by the end of 2007.

2. *Infant Mortality.* Two-day Infant Mortality Summit held with community providers and stakeholders in October 2007. Action items and outcomes were identified. Leadership Group is providing oversight and leadership to outcomes. Group will reconvene in 2008 in order to provide updates and next steps.
3. *Foster Parent and Child Care Monitoring Program Implemented.* Partnering with the Clerk of Courts, the Sheriff's Office and Prosecutor's Office, Job and Family Services (JFS) has implemented a monitoring program for foster parents. This program is now being expanded to cover child care consumers. In 2008, JFS will begin monitoring employees who have contact with children.
4. *Foster Care/Adoption Initiatives.* A manager and staff team have been aligned to implement an aggressive child specific recruitment program. Hamilton County achieved an increase of 55% in the number of finalized adoptions during the first six months of 2007 compared to last year. An aggressive public information and advertising campaign has also been developed and will launch in January, 2008. JFS is striving to gain 100 new homes from this campaign.
5. *Reinstatement of Protect Ohio Program.* Hamilton County JFS partnering with Ohio JFS and the federal government has reinstated the Protect Ohio Program which will result in approximately \$7 million in additional funding in support of Hamilton County families and children.
6. *First Suburbs.* Supporting priorities of the Board, work continues directly with Fairfax, Lincoln Heights, Golf Manor, Cheviot and Elmwood Place. Efforts have focused on improving, redeveloping and/or creating workforce housing. In addition, the Regional Planning Commission assisted numerous communities with launching successful challenges to recent census figures.
7. *Metropolitan Sewer District Consent Decree.* Implementation of the capital program and negotiations with the U.S. District Court and EPA continue. Successfully negotiated a settlement to the MSD/Sierra Club attorney's fees litigation.

C. Economic Development

1. *Banks Riverfront Development.* Following 18 months of negotiations, the Board of Commissioners and the City Council approved a Master Development Agreement and Infrastructure Development Agreement on November 1, 2007. Additional funding and financing mechanisms were also secured by the County this year including a \$5.47 million low interest Urban Redevelopment Loan and \$970,000 grant toward the Mehring Way project. Project oversight/implementation will continue to be coordinated through joint City/County administration. Groundbreaking on this first phase of this estimated \$600 million private investment on the riverfront is slated for the first quarter of 2008.

2. *Local Projects.* The following projects were initiated this year with significant County involvement:
 - a. Ford Motor Company – \$200 million investment in the Sharonville facility helps retain 1,400 jobs.
 - b. Siemens – \$30 million investment and the retention of 327 jobs and the addition 100 new jobs.
 - c. Genome Research Institute – a \$250,000 County development grant assisted in the establishment of a new drug discovery center. The focus of this entity is to convert research into commercially viable products. \$5.1 million investment supports 300 existing jobs and helped create an additional 12 jobs.
 - d. Lockland Industrial Park development – one 27 acre site development (Verwandt) with an initial job creation of 120 jobs that is projected to increase up to 500 jobs from the development at completion.
 - e. Vintage Club TIF in Montgomery – Hamilton County's first Homearama in eight years.
 - f. City of Reading Hill Street TIF.
3. *Streamlining of the Development Review Process.* Administration has initiated the alignment of permitting and regulatory entities involved in the development process to improve the efficiency, quality and transparency of the process.
4. *Comprehensive Economic Development Strategy.* A Comprehensive Economic Development Strategy was developed and adopted by the Board. This strategy will help guide our future efforts and assist in pursuing Economic Development Administration funding.

D. Other Significant Management Initiatives

1. *JFS Special Audits.* Forensic audit work was completed this year and the findings presented to the Ohio JFS. High level discussions have been extensive and are ongoing in hopes of a resolution to the matter by the end of 2007 without a general fund impact.
2. *Departmental Consolidations and Organizational Realignment Efforts.* During 2007 several organizational changes were implemented to better streamline service delivery and improve overall organizational efficiency. These include the consolidation of capital project management to County Facilities, the consolidation of the Community Development function into Regional Planning, merger of the JFS Human Resources function into one central Human Resources department, and the merger of JFS building services function into the County Facilities department.
3. *Focus on Innovation.* County Administration has worked to foster greater innovation and creativity within the organization over the past year. An innovation training curriculum has been developed by Human Resources and was fully rolled out to Board departments in 2007. Innovation will be added to the management standards included in all employee

evaluations beginning in 2008. The Project Gain program has proven to be highly successful and will continue to evolve and improve. The Fresh Ideas employee suggestion program was rolled out in August 2007.

4. *Shared Services.* County Administration has provided high level staff support to the regional Government Cooperation and Efficiency Project (shared services). This has involved working with the City of Cincinnati to explore potential service sharing agreements and facilitating shared services between County departments and other political subdivisions. It is expected that several feasibility studies will be launched in 2008 to explore City/County cooperation in areas of call center operations, facility management activities and commodity purchasing. The County has also worked with multiple communities to allow purchasing from County bids and participation in the online obsolete equipment auction. These communities include Springdale, Amberly Village, Lockland, Colerain Township, Green Township, Blue Ash and Fairfax. It is also expected that these efforts will result in additional communities joining the County's customer base for building inspection and 9-1-1 dispatch services.

IV. RELATIONSHIP BUILDING

Now in my second year, I believe we have developed a stronger relationship with the other elected officials in county government. During 2007 the following occurred:

- A. We hosted our Ohio general assembly delegation for our second annual legislative issues meeting.
- B. I continued regular meetings with the Cincinnati City Manager.
- C. I met with the Township Administrators and have re-established periodic meetings.
- D. We instituted the "Hello Hamilton County" newsletter.
- E. I have participated in several joint sessions of the Common Pleas and Municipal Courts and met one-on-one with several members of the judiciary.
- F. Attended and presented at the County Budget Commission.
- G. The annual Report Card was enhanced and posted on the County website concurrent with the release of the 2008 recommended budget. An online comment capability was added for the 2008 recommended budget.
- H. During the 2008 budget development process, I met with every County department and agency on multiple occasions to get feedback and perspective on the County's budget.
- I. We continued progress on examining the potential to utilize the CAGIS platform as a way to means of assisting all Hamilton County communities improve coordination and access government more efficiently.

Labor/Management relations are an important area for any County Administrator. We settled the Job and Family Services AFSME and Sheriff's Office Corrections Officer labor negotiations during 2006 without any labor actions (i.e., strike actions) and with reasonable contract terms. We are currently working on the Communications Officers contract negotiations. In 2007, the Administration, together with the Human Resources Department and executive leadership of the Communication Center, concluded negotiations with the Communications Officers, represented by the FOP, in a manner which is expected to alleviate the significant turnover problem faced by the Center. While more analysis will be required to determine the impact of this negotiation, it can be stated that the Center is now fully staffed for the first time in several years.

V. ORGANIZATIONAL IMPROVEMENTS

While we tackle the issues that confront us daily, and make substantive progress towards the Boards' goals, my staff and I are for always looking for improvement as problems or opportunities arise. During 2007, we have initiated several organizational improvements and addressed others that have emerged unexpectedly.

- A. We have initiated a dialogue with the Hamilton County Health District for the transition of the Tuberculosis Control program from the Job and Family Services Department to the Health District. This transition should be ready for the Board's approval in the first quarter of 2008.
- B. To address the 30% vacancy rate in Children's Services, Human Resources and Children's Services program staff organized the first hiring fair on September 29, 2007. As a result, 478 applications were received, 152 applicants were interviewed and 115 offers were made pending background approval. As a result, Children's Services has filled 91% of the vacancies.
- C. We standardized the webpage design for all Board departments and are in the process of transitioning web-maintenance from the City's Regional Computer Center to the Regional Planning Commission.
- D. In addition to the previously noted functional consultations of human resources and facilities maintenance, the recommended 2008 budget calls for the elimination of the Administrative Service Department and the Public Works Department.
- E. Working with the Sheriff's Office, County Facilities and major agencies within the County Administration Building (CAB), we completed a review of security for the CAB. The final recommendations to the Boards will be provided in early 2008.
- F. A pilot succession planning program has been initiated within the Hamilton County Communication Center. This program is designed to plan for a smooth and seamless transition and retention of organizational knowledge, upon the eventual departure of the organization's senior leadership. Upon completion, this program will be rolled out aggressively to other County departments.
- G. We continued our effort to coordinate elements of the development process to promote quality and efficiency. These efforts included continued meetings of the Interagency Development Workgroup as well as establishing, for the first time, coordination meetings between agency field inspectors.

- H. Began the process of developing an organization-wide fleet management tracking system.

VI. STRATEGIC ISSUES

- A. Sustainable Revenue Sources: The County general fund is heavily dependent on the local permissive sales tax and property tax for revenue. These revenue sources have not kept pace with County expenditures. This does not suggest that expenditures are unchecked or the County is grossly inefficient, only that day-to-days costs are tracking to inflation, but revenues are not. If this trend continues in the coming years, the County will need to examine its tax policy at a macro level and/or the level of services provided.
- B. Stadium Fund: During 2006, the deferment of the CPS PILOT and refinancing the sales tax bonds provided approximately 7-years of time relief on the pending deficit in the Stadium Fund. In late 2006, we also refunded a significant portion of our riverfront debt resulting in a \$26.5 million present value savings. We will continue to look for a permanent solution, exploit market opportunities when they arise and pressure the state for the remainder of their fiscal obligations.
- C. Institutional Relationships: Given limited resources at all levels of government, it will imperative that the County collaborate with all political subdivisions in the County to improve services, reduce costs and make progress on issues of regional importance (economic development, transportation, etc.).

VII. RECOMMENDED 2008 FOCUS AREAS

First and foremost, I will follow the direction set by the Board and be responsive to individual Commissioners. Notwithstanding the 2008 Board budget goals, my focus areas in 2008 will include:

- A. 2008 Budget Monitoring.
- B. Assist the Board in developing alternatives to address jail overcrowding, facilities deficiencies and criminal justice improvements.
- C. Implementation of the Banks project.
- D. Intensive review of information technology services across the entire County.
- E. Develop a formal, integrated MSD oversight function for fiscal, regulatory compliance, capital plan management and operations review.
- F. Planning for continuity of operations within County departments and agencies.
- G. Exploring additional innovations within our building and development process including: premium service offerings, contractor licensing and code reform to promote environmental sustainability.

I hope that you have found that County Administration is accessible, responsive and professional. I welcome your comments, input and constructive feedback as we work to improve Hamilton County.



Hamilton County Administrator's Office
Interdepartmental Memorandum

To: County Commissioners Portune, Pepper, and DeWine
From: Patrick Thompson, County Administrator *P. Thompson*
CC: Eric Stuckey, Jeff Aluotto, Moira Weir, Christian Sigman
Date: December 9, 2007
Re: Management Work Plan Monthly Update - November

Please find attached the Management Work Plan update for the month of November. As you will find in the document, a lot has been accomplished this year. Based on the Commission's discussion at the December 3 staff meeting, we will work with the Commissioners in January 2008 to determine the format and frequency of management reporting for 2008.

We will provide a 2007 year-end report in early January 2008. Thank you for your continued support and guidance.

Please do not hesitate to contact me if you have any questions.

Hamilton County, Ohio
Office of the County Administrator
Monthly Management Work Plan Report

Topic	Actions taken / planned	Status
<i>Public Safety</i>		
1. Comprehensive Corrections and Rehabilitation Program: -- Support the Commissioners in developing and implementing a comprehensive corrections and rehabilitation program to address chronic overcrowding in the County's corrections facilities. (BSI)	The Board approved a Comprehensive Safety Plan and associated sales tax increase on May 23, 2007. Petitions to put the sales tax on the November 2007 ballot were certified by the Board of Elections, Issue 27 failed at the November 6, 2007 elections.	✓
-- Fund all aspects of corrections and criminal justice reform. (BSI)	A funding mechanism for capital and operating costs was included in the Comprehensive Safety Plan.	✓
-- Prepare the preferred jail location site for pre-development. This includes analysis of the schedule and costs for demolition of the existing structures on the site and addressing any required environmental remediation. (Facilities)	Cost estimates for the engineering and environmental work prior to demolition have been developed. The Board was provided an update memo dated July 30, 2007. With the failure of Issue 27, an alternative funding sources will need to be identified to demolish the Kahn's site. County Facilities is currently obtaining updated cost estimates for demolition of the site.	>>>
2. Develop and provide staff support of the Hamilton County Criminal Justice Commission. (BSI)	BSI continues to support the various sub-committees of the Criminal Justice Commission. The Vera Institute inmate profile report is due in early December.	✓
3. Develop a concept of operations and implementation plan for the CountyStat program to use County-wide data to target criminal activity across jurisdictional boundaries in the County. (Prosecutor's Office)	The initial meeting with the Prosecutor's Office, regional law enforcement officials, and the County Administrator's Office occurred in May. Data collection and analysis under way within the Prosecutor's Office to focus efforts.	>>>
4. Work with the CrimeStoppers of Greater Cincinnati to determine the use and performance reporting for the \$25,000 County contribution in 2007. (BSI)	An analysis as to the anticipated benefits of the additional funding was completed. The payment to CrimeStoppers was processed July 23, 2007.	✓
5. Ensure most current crime information is included in the 2007 County report card document. (BSI)	The 2006 report was posted to the County website on October 29, 2007.	✓
6. Assess the feasibility of providing communities with greater access to 911 and crime data occurring within their community.	Hamilton County Communications and CAGIS are working on procedures to geocode data.	>>>

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Topic	Actions taken / planned	Status
7. Conduct an assessment for various County facilities and operations to determine readiness for responding to various security events and determine a strategy for improving security and business continuity county wide. (Public Services)	Consultant has completed study. Recommendations currently under review by County Administration and Facilities. Lobby security improvements currently are in planning stage but will most probably be delayed due to budgetary restrictions.	✓
8. Provide assistance in implementing Project Disarm to increase the number of federal prosecutions for gun-related crime. (BSI)	The funding to begin project disarm was approved by the BOCC in March. The staff has been hired by the Prosecutor's Office. With the failure of Issue 27, an alternative funding source will need to be identified.	✓
9. Provide assistance in implementing the reentry demonstration project within Pretrial Services.	The funding for this effort was approved by the BOCC in March. Additional staff in pre-trial services and central clinic have been hired. The preliminary results of this demonstration project were briefed to the CJC. With the failure of Issue 27, this program will be supported via the Drake levy.	✓
10. Work with the Emergency Management Commission to explore the feasibility, appropriateness and financing of expanding the County emergency siren system.	TPAT recently voted to authorize the use of all SHSG funding to the siren expansion project. A rebid of the project will be necessary in order to phase the installation as a means of ensuring financial viability.	>>>
11. Implement a pilot project focusing on Next Generation 911 technologies (Communication Center).	Pilot program is in its initial stages with a VOIP call being successfully received and routed in July.	✓
12. Work with the Board and surrounding communities to identify strategies for proactively addressing the movement and relocation of sex offender populations within Hamilton County. (Public Services)	Report is complete with recommendations preparing to be submitted to the Board before the end of the year.	✓
13. In 2007, the Hamilton County Communication Center will upgrade its voice-tone alerting system to ensure timely emergency response throughout the County. (Public Services)	Specifications being prepared for bidding to occur in early 2008 in order to synchronize timing with the issuance of debt for the project. This project is included in the recommended 2008 capital budget.	>>>

Hamilton County, Ohio
Office of the County Administrator
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Topic	Actions taken / planned	Status
<i>Quality of Life</i>		
The Commissioner's 2007 budget goals include several specific actions concerning quality of life. To a large degree, many of the functions of County government assist with ensuring and improving the quality of life of residents on a day-to-day basis. Specifically, in 2007 County Administration is assisting in the implementation of:		
1. Garnering Medicaid revenue for the indigent. This effort will be in tandem with improving the performance and management reporting of the use of Indigent Care Levy resources and other strategies to increase Medicaid enrollment (JFS)	<p>Goal of the program is to significantly increase Medicaid enrollment among low income individuals and families. By doing so, we positively impact ongoing and emergent health care while eliminating the burdens currently being placed on emergency rooms. Additionally, routine health care is proven to significantly improve an individual's chances of long term self-sufficiency.</p> <p>1. RFP vendor selection is being finalized with contract negotiations scheduled to begin 9/26/07. It is anticipated that the contract terms and deliverables will be finalized by 10/12/2007.</p> <p>2. Contract draft returned by FreeStore administration on 11/13 with a request for slight changes (nothing seriously impacting the project). Contracting staff are now making modifications as deemed appropriate.</p> <p>3. Upon completion, the draft contract will be submitted to the Prosecutor's Office with a request for an expedited review. Based on the activities to date, a 12/07 roll out seems reasonable.</p>	>>>
2. Establishing the proposed Council of Elders. This will be done in conjunction with the Tax Levy Review Committee (TLRC) review of the Senior Services Levy and follow the Board-approved boards and commissions appointment process. (Administrator)	As of July, the Council of Elders has not been empanelled by the BOCC.	N/A
3. The Administration will work with the Job and Family Services Department and other regional social service providers in developing a strategy to reduce infant mortality. The Administration will also support the Commissioners in establishing the Infant Mortality Reduction Task Force. Initial efforts will examine the success of the United Way funded Every Child Succeeds and Success by Six programs.	JFS will work with the Administration and other community partners in developing a strategy to reduce infant mortality. JFS will be an active participant on the Commissioners Infant mortality Reduction Task Force.	>>>

Hamilton County, Ohio
Office of the County Administrator
Monthly Management Work Plan Report

Topic	Actions taken / planned	Status
4. The County anticipates that the federal court will approve the final settlement of the global consent decree in 2007. MSD will complete the biennial rate study and will establish recommended rate increases for 2008 and 2009. These increases will comport with the required capital spending to comply with the global consent decree. The recruitment for the MSD Chief Financial Officer position will be completed and the new employee will be integrated into the MSD management team, including the County MSD Compliance Coordinator. (County Administrator's Office)	Negotiations with the U.S. District Court and the EPA continue. The rate study is well under way with multiple scenarios being tested. The MSD CFO recruitment effort has completed interviews with three candidates. Background checks and references have been checked. A decision to move forward on filling this critical position will be made in the context of developing a comprehensive MSD oversight function for the county.	>>>
5. The Senior Services and Mental Health levies are up for review by the TLRC. The Administration will ensure this process adheres to the revised TLRC policy approved in February 2007 to balance results and performance with tax burden.	The work of the TLRC concerning the Senior Services and Mental Health levies was completed in July. The BOCC was provided the final reports and recommendations on July 23, 2007. The BOCC approved the TLRC recommendations and the levies were approved by the voters November 6, 2007.	✓

Hamilton County, Ohio
Office of the County Administrator
Monthly Management Work Plan Report

Topic	Actions taken / planned	Status
6. County Administration will fully implement the foster parent monitoring program approved by the Commissioners in March 2007. (JFS)	Foster Parent Monitoring Program is in place. HCJFS is expanding the program to include Child Care consumers. Child Care consumers and providers have been notified of our desire to perform criminal checks on providers, adult household members, and emergency care givers. Release forms have been sent to all affected parties and consent forms are being returned. A data repository is being created to capture and report data related to the request/response to the criminal check process. Meetings have occurred with the Clerk of Courts and a kick-off date (9/28/07) has been established to run the background checks on the first group of child care providers. A meeting was held (9/19/07) with HCJFS, the Sheriff's department and the Prosecutor's office to initiate the development of the Memorandum of Understanding regarding National Background checks for Children's Services caretakers. To date, Child Care has sent over information on 1,460 persons to the Clerk of Courts for Instant Notification.	>>>
7. The County's Department of Environmental Services (DOES) will be assessing a contract to allow for more comprehensive reporting of toxic air emissions in Hamilton County and to allow for the timely acquisition of data to address toxic releases. (Public Services)	Bids received for provision of Service, DOES currently evaluating.	>>>
8. Expand and monitor the use and success of Project Impact to assist in the revitalization of and improved quality of life within the County's first suburbs. In addition, the Regional Planning Commission will be initiating a program to target one community each year for the creation of a plan for improving, redeveloping and/or creating workforce housing.	Currently working with Fairfax, Lincoln Heights, Golf Manor, Cheviot and Elmwood Place on implementation of specific community priorities outlined during Project Impact sessions.	>>>
9. Following the departure of Section 8 housing programs to the Cincinnati Metropolitan Housing Authority, the County will continue to administer Tenant Based Assistance programs as a means of assisting persons with physical and mental disabilities find and afford quality housing. The County will also continue to utilize CDBG funding for a wide range of community improvement activities - not the least of which includes the provision of emergency repair services to low or moderate income homeowners and implementation of a home foreclosure prevention program. (Community Development)	There are currently five active CDBG projects with 33 under contract. In terms of the HOME and TBA programs, the County is in compliance with performance standards relating to lease-up rates for these grants	>>>

Hamilton County, Ohio
Office of the County Administrator
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Topic	Actions taken / planned	Status
<p>10. Coordinate the work of the Interagency Development Workgroup focused on the prioritized issues of: Downspout inspections, Homeowners Associations, Complaint Tracking and process efficiency. (Public Services)</p>	<p>The workgroup has made substantial progress on the issue of downspout inspections and has assigned the issue of HOA's (and related lack of care of private infrastructure) to the Department of Public Works. A final report and recommendations on this issue are to be unveiled at the December 5th meeting of the IAWG.</p>	<p>>>></p>
<p>11. Fast Forward Youth Initiative (HCJFS)</p> <p>- Services are intended to engage youth who have dropped out of high school in efforts that will get them a diploma or GED.</p>	<p>\$250,000 general fund resources have been approved for this effort. An RFI has been released and meetings with those organizations that responded to the RFI have taken place. The responses from the RFI resulted in the release of an ITB.</p> <p>The ITB resulted in two submitted proposals.</p> <p>Originally we had planned to fund these services entirely with the County general fund.</p> <p>Two things happened to change that:</p> <ol style="list-style-type: none"> 1. Short term TANF dollars became available to supplement the county general fund. 2. County general fund support became fully unavailable in the face of budget constraints. <p>Funding this drop out recovery program entirely with TANF dollars creates several challenges</p> <p>Following discussions with the Prosecutor's office, we have elected to take the actions described below.</p> <ol style="list-style-type: none"> a. Submit a resolution to the BOCC for the rejection of all the bids due to in-availability of funds. b. Re-bid the service as a new RFP using a very aggressive timetable. We hope to get this done and finalized within 3 months. c. Funding for this initiative will be in the amount of \$250,000. It will be 100% TANF funded. <p>This is a one year commitment.</p>	<p>>>></p>

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12. Reinstate ProtectOhio (HCJFS) Aggressively pursue reinstatement in the ProtectOhio program to increase the funding and flexibility for provision of services for Hamilton County families and children.	Collaborative (ODJFS, HCJFS & Feds) efforts are underway to reinstate HCJFS in the ProtectOhio waiver program. The proposal, approved by HCJFS & ODJFS, has been presented to the federal government for review/approval. The proposal includes a retroactive reinstatement date of 10/01/2005 and a prospective date of 10/01/2007. It is projected that approval will result in approximately \$7 million in additional funding in support of families and children in Hamilton County.	✓
13. Foster Care/Adoption Initiatives (HCJFS) Goals of process improvement in the Foster Care/Adoption program include: - Reduce by 2% the number of foster children with more than two substitute care placements during a single custody spell. - Increase by 10% the number of PC (Permanently Committed to JFS custody) children who are adopted. - Review and analyze the proportion of substitute care placement that move to a lower level of care and determine contributing factors. (For youth whose placements are managed by HCJFS)	A manager and six staff have been hired to support an aggressive child specific recruitment program. Assemble data and work teams to begin the process of identifying factors that contribute to determination of level of care. This includes defining the indicators to assist in determining when it is appropriate to downgrade the services being provided. 54 adoptions were finalized thru the first 6 months of 2007, compared to 35 adoptions finalized during the same period in 2006.	>>>

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Topic	Actions taken / planned	Status
<i>Economic Development</i>		
1. County Administration will continue to support the Banks Working Group. Once the negotiations are complete with the preferred developer, the Administration will work with the recently reconstituted Port Authority to move forward on this important economic development project. (DAS)	On November 1, the City Council and Board of County Commissioners approved the Master Development Agreement, Infrastructure Agreement, and City/County Cooperation Agreement. Documents are now being finalized and executed. Work continues with the funding agencies. An LPA agreement is being developed with ODOT to most of the Federal funding (CMAQ and STP funds). The project implementation team is being formed. The City Council and Board of Commissioners will need to appoint the Joint Steering Committee members.	>>>
2. The County will work to coordinate the work of various agencies performing economic development functions within the County while holding each accountable for the specific roles they play for the betterment of our community. The County will also seek, where possible, to promote economic development within individual communities with the cooperation of organizations such as Regional Planning and HCDC.	With the support of Regional Planning and input from various communities, HCDC has worked to develop a Comprehensive Economic Development Strategy. This strategy was approved by the Board for review in August. HCDC has also formed an Economic Development Advisory Board comprised of business and government leaders from throughout the county to provide HCDC with feedback and assistance in identifying opportunities. The county's interagency work group along with HCDC is in the process of developing an enhanced outreach and communication program targeted at developers. A survey of developers is currently being conducted by HCDC. County Administration will continue to work to coordinate the efforts and roles of various development entities including HCDC and Regional Planning.	>>>
3. Finalization, by HCDC, of a comprehensive economic development strategy for Hamilton County.	Working with Regional Planning, HCDC has completed a comprehensive economic development strategy document that was adopted by the Board in August.	✓
4. The Administration will define and fill the approved Economic Development position to meet the Commissioner's goal of improving the coordination of economic development. This effort will be coordinated with the Hamilton County Development Corporation and the Partnership for Greater Cincinnati.	Filling this position has been held due to on-going budget discussions. [Note: the position was not funded in the adopted budget.] Due to budget limitations the functions of this position will need to be carried out by existing staff.	N/A

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Topic	Actions taken / planned	Status
5. The Administration will work with the City of Cincinnati to examine opportunities for shared services and continue the collaboration on projects such as the Banks and the implementation of a comprehensive corrections and rehabilitation program.	Administration currently has active representation on the Government Cooperation and Efficiency Project (GCEP) and, in July, hosted the first meeting of a subcommittee designed to examine City/County shared services opportunities. Additional meetings are scheduled for the week of 9/24 to discuss shared services opportunities.	>>>
6. The Administration will continue to support improvements to the HIP program which will allow for the revitalization of housing stock in Hamilton County while buttressing the County's property tax income. Included in this item is the initiation of a new marketing campaign for the HIP program. (Community Development)	Recent implementation of a marketing effort for the HIP program has led to increased loan application activity as measured through recent HIP reports.	>>>
7. In continuing the work of the Interagency Development Workgroup, as described above, the Administration will also focus on continuing to drive improvements to the efficiency and transparency of the development process county-wide. Such improvements are cornerstones of ensuring that communities in Hamilton County are considered "redevelopment ready".	Proposal solicited for assistance in applying value-streaming analysis to the County's development review process. Proposal currently under review.	>>>
8. In 2007, the Building Department will continue the implementation of its X-Plan to expedite the review of certain types or production homes and will explore expanding that improved process to condominium applications. The Building Department will also continue its efforts to make e-permitting available to those seeking building permits within the County.	Stakeholder meetings have begun on expanding X-Plan to condominium applications. The department is currently waiting on input from partnering agencies to move the project forward. The Building Department will also be exploring the concept, with its customer base, of charging extra for enhanced service levels on a routine basis.	>>>
9. In 2007, RPC will assist various communities in launching census challenges contesting underestimated population estimates.	Nine Hamilton County communities were successful in challenging the census leading to a population correction (increase) of approximately 20,000.	✓
10. County Administration and RPC are working with the County Engineer to revise the County's thoroughfare plan map and text to facilitate redevelopment opportunities.	RPC has revised the thoroughfare plan map while the Engineer's Office continues to work on text for the document.	>>>
11. County Administration and RPC, in conjunction with the Interagency A Development Workgroup will work to create a consolidated webpage focusing on the County's development process.	A template has been established for this site with a working group actively developing content which incorporates concerns of the development community.	>>>

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Topic	Actions taken / planned	Status
<i>Community Indicators</i>		
This particular policy goal is broad by nature and, is addressed through multiple initiatives included and detailed under many of the preceding sections. In addition to separate efforts to address issues of public safety, education, housing, etc., the Administration will again provide for the development of a County Report Card to inform the community of progress in these areas. This effort first initiated in 2005 allows the County to report to citizens about the performance of the government and the community's overall quality of life. The opportunity to incorporate broader community measures such as those in the United Way of Greater Cincinnati's State of the Community Report can also serve as a valuable	The report card team has fully integrated the concept of community indicators in the 2007 report card template. This template has been approved by the BOCC and final content development was completed in early August. Due to BOCC approved budget reductions, the report card was posted on the county website only. Household mailings will not occur.	✓
<i>Other Significant Management Initiatives</i>		
In addition to the Commissioner's policy priorities, the Administration will implement several additional management initiatives as a means of improving the quality and effectiveness of County government and to respond to various external pressures and threats. Two of these initiatives, Organizational Realignment and Enhanced focus on Performance, were described as a preface to this management work plan. Additional initiatives, however, are as follows:		
<i>Job and Family Services (JFS) Special Audits</i>		
During 2007, it is anticipated that the County will complete its response to the special audits of JFS. Significant progress has been made by the County's contracted forensic audit firm. The County will continue to work collaboratively with the new administration in the Ohio Department of Job and Family Services to address the audits. With the pending retirement of the current JFS director, the hiring of a new director is a top priority.	The Sept. 7, 2007 meeting with senior ODJFS and Hamilton County executives resulted in very little positive movement towards resolution of the audit findings. ODJFS middle management remains committed to their original astronomical findings. Meetings are being scheduled between ODJFS and HCJFS to define what must be done to quickly resolve the gap that exists between our response and the ODJFS findings. A meeting with all parties to resolve gap was held on 10/19/2007. ODJFS (Exec Mgt, Legal & Fiscal) and HCJFS (Exec. Mgt, Legal & Fiscal) will meet on Nov. 15, 2007 in an effort to finalize the findings of the ODJFS special audit and determine the contents of the final audit report. Progress is being made to bring this to close by 1st quarter, 2008.	>>>
<i>Continued Support of Competition and Efficiency Efforts</i>		

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Topic	Actions taken / planned	Status
<p>The Administration will continue to support the Competition and Efficiency Committee (CEC) during 2007. A focus for the CEC in 2007 will include setting key policies for implementing managed competition and finishing the work on the facilities and printing services business case reviews. Also during 2007, the Administration will report back to the CEC and Commissioners on the progress on the improvements recommended in the fire hydrant, telecommunications, and fleet services business case reviews completed in 2006.</p>	<p>County Facilities and JFS have incorporated the consolidation of facility management services in the recommended 2008 budget. County Facilities is also exploring service level agreements with MRDD. The County's Fleet Management Work-Group is currently revising the County's fleet management policy while developing new policies relating to performance measures, utilization, etc. In addition, work is beginning on transitioning user departments to one technology platform. The printing service management competition resulted in seven vendor proposals. These are under review.</p>	<p>>>></p>

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Topic	Actions taken / planned	Status
During 2007, the Administration will continue its cyclical review of procurement of key commodities and services. These will include: vehicle fuel, office supplies, pharmaceuticals, hardware/small tools, HVAC parts, and overnight delivery services. (DAS)	The review and procurement process for these key commodities is ongoing. Purchasing is working to conduct the County's first reverse auction. The reverse auction will be for the 2009 purchase of road salt (working with the County Engineer). The City of Springdale has also asked to participate in the reverse auction, which will be conducted by the end of the year. We are also looking to hold a reverse auction for one of our key commodities, HVAC parts.	>>>

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In addition, the Administration will assist in providing high level staff support to the regional Government Cooperation and Efficiency Project (shared services). Primarily, this will entail working with the City of Cincinnati to explore potential service sharing agreements and facilitating shared services between County departments and other political subdivisions.	The County continues to work with surrounding political subdivisions to expand its provision of fire hydrant repair and storm sewer services. The County also met several times with City staff to outline numerous options for shared services. These opportunities are currently being assigned to related staff for follow-up research and analysis.	>>>
Continue to foster efficiency and service delivery improvements from county employees. (DAS)	During to 2007, the "Fresh Ideas" employee suggestion program was developed. A pilot program was initiated during the first half of the year. The program was "rolled out" to the entire county organization effective August 1. The Project Gain program continues, rewarding employee teams for development of cost saving ideas. To date over \$840,000 of annual savings have been developed through this program. (Also see innovation training below.)	>>>
Human Resources service from JFS will be consolidated into the County's central HR function. (DAS)	The revised structure to incorporate HR function from JFS into one central HR department was implemented effective October 15th. This new structure improves overall efficiency by both consolidating services and bringing together more robust teams in the various functional areas (i.e. - staffing, benefits, training/development, labor relations).	✓
The County will continue to expand its purchasing power and the impact of its leveraged purchasing efforts by offering a "master bid" service to other local governments in Hamilton County. (DAS)	Currently, the City of Springdale, Amberley Village and the City of Lockland have signed up for the Master Bid service. A number of other organizations including the Police Chief's Association, Colerain Township, Green Township, the City of Blue Ash and the Village of Fairfax have requested presentations regarding the service. Bid areas where these entities have expressed interest include fuel, office supplies, uniforms, road salt, tires, auto parts, and vehicles. These local governments have also expressed interest in participating in the County's on-line auction.	>>>
Budget Process		

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Topic	Actions taken / planned	Status
During the summer months of 2007, the Administration will work with the Commissioners to develop the 2008 budget goals. This will begin with the required Tax Budget and an economic forecast for general fund revenues. Having Commissioner 2008 budget goals established before the departments work on their budgets is the best opportunity to ensure limited County resources are directed to priority areas. (BSI)	The 2008 Tax Budget as required by the ORC was presented to the Commissioners and approved by the BOCC on July 11 in advance of the July 15 due date. Base budget were due July 23 and budget reduction scenarios due August 13.	>>>
The Office of Budget and Strategic Initiatives has completed their review of the 2007 budget process. Based on the comments from the agencies and fiscal officers there will be an emphasis in the 2008 budget process to improve the transparency of the processes and to provide additional opportunity for agencies to meet with the Administration to discuss and collaborate on budget issues. (BSI)	Budget Planning meetings were scheduled with each department for the first two weeks of August. These meetings afford the opportunity to agencies to discuss their budget concerns and priorities with the County Administrator prior to budget recommendations from the Office of Budget and Strategic Initiatives. Additional rounds of departments were conducted leading up to the 10/29/2007 budget release.	>>>
<i>Innovation Training</i>		
The Administration will continue the focus on innovation that emanated from the CEC efforts. An innovation training course has been developed and it will be offered to all Board department employees. It is anticipated that this course will be refined during 2007 and become a required training program beginning in 2008. Additionally, during 2007 the employee evaluation process will be reviewed to incorporate innovation as a desired attributable of successful employees. (CPD)	The pilot training classes and subsequent evaluation for our innovation training course is complete. "Roll out" of the innovation class to departments under the Board has taken place with classes scheduled during the fourth quarter of 2007 and throughout 2008.	>>>
<i>Transition/Succession Planning</i>		

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Topic	Actions taken / planned	Status
The County needs to prudentially prepare for the potential pending retirement of key department heads. During 2007, the JFS director and MSD CFO Position will be filled. However, other key leadership positions will become vacant in the near future. The Administration will begin the process of developing succession plans for key board departments and positions.	HCJFS has initiated an internal review to address staffing concerns, succession planning, retention and staff development/growth. HCJFS is developing a plan to: - Identify critical jobs and skills - Pilot "grow your Own" - Commence extensive recruitment program	>>>
<i>Compensation and Classification Review</i>		
During 2007, the Administration will identify positions and job classifications that may have fallen below market compensation levels. Recurring challenges in attracting and retaining key positions will ultimately impact service delivery quality. County salary ranges were increased 3% during 2007, but had remained unchanged for the four preceding years. Many positions are well below competing employers (i.e., neighboring counties and the City of Cincinnati.) (CPD)	A study of compensation of IT staff throughout the County has been completed with recommendation of adjust existing pay structure to better retain and compete for IT talent now and in the future. All JFS union positions were adjust up one pay range as a part of the collective bargaining agreement reached in late 2006. Examination of various positions across the organization is ongoing. County Personnel has conducted the annual survey of competing employers regarding salary budget and range adjustments projected for 2008.	>>>
<i>County Information Technology Coordination</i>		
With the departure of the Regional Computer Center director, the Administration will work with the City of Cincinnati and major County IT users to identify opportunities to coordinate and consolidate IT activities. For 2007, this will include help desk operations, business continuity, and an enterprise-wide human resources information system.	Introductory discussions have been held with key stakeholders concerning IT coordination. A cross-county team of IT staff are working on email system connections (global address book) and server consolidation. These two efforts are anticipated to increase productivity and improve IT asset security and protection.	>>>

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<i>County Services Coordination</i>		
The Administration will devote resources toward an effort to improve the coordination of County and local government activities related to various high profile issues. For example, with the pending \$2 billion wet weather improvements spurred by the Global Consent Decree, significant priority will be placed on ensuring that road construction occurring through these improvements is optimally coordinated with other street improvements occurring in the County through the actions of other utilities and government organizations. In addition, the Administration will explore utilizing information technology to improve communication to residents and to respond to issues such as dilapidated and vacant buildings,	County Administration is currently working with CAGIS, MSD and the County Engineer to develop an implementation and funding and implementation plan for this effort. MSD has provided initial funding for the effort and CAGIS is currently reviewing changes to its pricing policy in order to provide further incentive for local governments to participate in the CAGIS consortium.	>>>
<i>Department Restructurings and Consolidations</i>		
During 2007, the Administration will proceed with streamlining and re-organizing several departments including the Department of Public Works and Community Development. The need for these restructurings varies from case to case, but may be associated with the need to more properly align a department with anticipated future workload or to improve synergies by merging a department with another department with similar scope and purpose. The end result to these endeavors should be improved communication amongst departments and improved delivery of service.	The Capital Projects division of Public Works has been relocated under County Facilities with the remainder of the organization streamlined - meeting the budget goal of recognizing \$300,000 in savings from this effort. Community Development was consolidated within RPC on November 1.	✓
<i>Environmental Initiatives</i>		

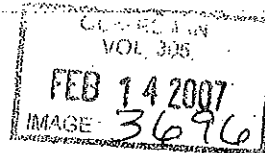
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With items such as the global consent decree, smart growth and sustainability becoming significant factors to which departments and agencies must respond, it seems appropriate that the Administration should look to address these issues proactively for the benefit of the community. During 2007, the Administration will seek to capitalize on the work of internal organizations such as the Department of Environmental Services, County Facilities, and RPC's Local Alliance for Nature and Development to determine an effective business case for integrating environmental stewardship into the operations of County government. One specific action will be the submittal of administrative recommendations on the adoption of a LEED Building Policy for capital	LEED and Energy Efficiency policies have been drafted and are currently under Administration's review prior to forwarding to the Board.	>>>
Continue progress toward meeting DOE's goal of retrofitting all school buses in Hamilton County (approximately 800) with technology to reduce air emissions.	Progress on this effort continues with 265 buses being retrofitted since 2004. Another grant was recently received to allow for an additional 40 conversions.	>>>

Entered of record.



Hamilton County



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February 14, 2007

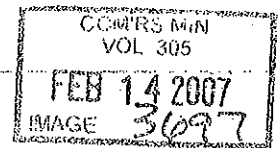
Honorable Board of County Commissioners, County Elected Officials, County Administrator and Staff, and Citizens of Hamilton County:

With this memo, we, the Board of Hamilton County Commissioners, are transmitting a balanced 2007 budget. The recommended general fund budget totals \$252 million and represents a \$4.5 million decrease from the revised 2006 budget. The budget process is a unique opportunity to examine the services provided by the county as well as the taxes and fees that pay for these services. It requires us to balance the sometimes competing interests of critical priority needs with the ability of the general public to bear the burden of taxes and other revenue producing mechanisms that support county activities.

This year's budget process was no different. The recommended budget is balanced though difficult choices were required concerning expenditures and revenues. We are proud to offer this budget that, in comparison to County Administrator Pat Thompson's recommended 2007 Budget, reduced overall county spending; lowered taxes; and downsized the total number of full-time employees in the government yet found the efficiencies necessary to fund those essential county services and programs that will address critical priority community needs in the areas of public safety, economic development, public health, housing and Homeland Security.

This budget maintains core services, includes specific recommendations to make progress towards our goals, and recognizes the important investments necessary to attract, retain, and enhance our workforce. This budget also helps to set the tone for future budgets as Hamilton County prudently prepares for fiscal challenges in the coming years, including continued flat revenue growth, the need to develop alternatives to relieve overcrowding at the jail, and the loss of tenured staff due to retirements.

This transmittal provides the highlights of the recommended 2007 budget, including policy initiatives, a general fund and all funds summary, a discussion of compensation and benefits, and



the presentation of other major budget issues. This transmittal and the recommended 2007 budget summary will be available on the county's website.

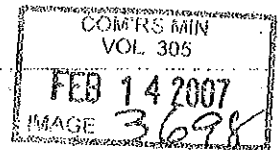
POLICY BUDGET

I recognize that all of the programs and services provided by the county are valuable and each has special significance to some citizen, business, and/or visitor to Hamilton County. However, in an environment of limited resources, funding is directed to the policy priorities set by the County Commissioners. For 2007, these include:

- 1) The primary challenge facing Hamilton County is reducing levels of violent crime, including homicide, and improving and enhancing the quality of life in county neighborhoods, especially our First Suburban. Items that help address these goals shall be given funding priority. Among these, *Improving safety* in the County is the most pressing short-term need faced by the County generally, and a great many of its jurisdictions. Many of the County's departments and agencies have a direct impact on community safety—in terms of *enforcement, prevention, and reducing recidivism*. Adequately resourcing and improving those safety-related functions are of the highest priority as we budget for 2007.
- 2) With the population decline being experienced in the vast majority of the County's jurisdictions, working in partnership with those jurisdictions—including the City of Cincinnati and the many first ring suburbs in the County—to improve their *quality of life* and stabilize population loss is a top budget priority.
- 3) Job losses and a stagnant sales tax, as well as aging economic districts in many of the County's jurisdictions, demand *more effective County economic development efforts* and support systems for local governments, along with a more robust economic development infrastructure within County government.
- 4) The Board intends to target community indicators as identified in the 2006 Hamilton County Citizen Report Card and in the State of the Community Report, published in November 2006 by the United Way of Greater Cincinnati. Said indicators include, without limitation, criteria in the areas of: a) Public Safety; b) Homeland Security; c) Education; d) the environment; e) Housing; f) Economic Development, Job creation and Poverty Eradication; 7) Energy Dependence; h) Health Care; i) Human Services Delivery and j) Transportation. The Board shall prepare a budget that is designed to make a positive difference in addressing especially those specific criteria in the aforementioned Reports that have demonstrated NO CHANGE where positive change is the preferred indicator, or that exhibit GENERAL DECLINE in the area of measurement. Those criteria that are exhibiting GENERAL IMPROVEMENT in the area of measurement shall be considered, on a case-by-case basis to determine whether budget priority should be given to activity in that area in order to maintain the improving measure.

The "State of the Community Report" released by the United Way of Greater Cincinnati identifies several community indicators that are demonstrating stagnant or negative trends. Relevant to the adopted policy goals of the Board, these trends and indicators are:

- 1) Health Care related issues including the number of obese and overweight individuals; the number of county residents lacking access to a regular health care provider; the percent of our population that is uninsured and the county's infant mortality rate; and
- 2) Public Safety related issues including the number of incidents of gun violence and shootings; the city's homicide rate; and increases in the county's juvenile crime rate; and
- 3) Economic Issues including the percent of the population in poverty and the increase in the region's unemployment rate over national averages; and

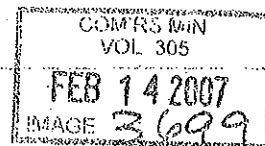


4) Housing Issues including the increase in foreclosures and high percentage and rate of foreclosures in the county; the high degree of residential racial segregation; the low percentage of homeownership; the age of residential structures and the decrease in affordable housing in the county

The recommended 2007 budget includes the following to support these policy priorities.

Improve Public Safety, Health and Welfare

- Increase Prosecutor detective hours from 35 to 40 hours per week;
- Full-year funding of the Over-the-Rhine (OTR) probation sub-station;
- Continued funding (six months) of the one-year trial of OTR Sheriff's patrols;
- An additional mental health services position for jail diversion;
- An additional \$500,000 in Sheriff's Office overtime for major crime investigations;
- Additional Coroner positions for DNA, firearm, and drug investigative analyses;
- An additional Sheriff's Office position to address a felony warrant backlog.
- \$25,000 to support the regional Crime Stoppers program
- A new Reentry Programming system to reduce criminal recidivism and jail overcrowding proposed as a part of the Hamilton County Rehabilitation and Corrections Program ("HCRCP");
- Expanding Project Disarm Countywide proposed as a part of the HCRCP, working with law enforcement across the County to federally prosecute and incarcerate the County's most dangerous gun wielding criminals
- Additional Sheriff's Patrols proposed as part of the HCRCP targeting Hot Spot crime areas throughout the county
- Massive Upgrade to County Emergency Warning System, bringing an additional 115,000 county residents within coverage of the system and freeing local safety dollars for the county's 49 political subdivisions to spend fighting crime, preventing fires and responding to medical emergencies;
- Increase support for Hamilton County Veterans' Services Commission to increase aid and benefit to area Veterans and Families due to increased need and demands caused by Wars in Iraq, Afghanistan and on Terror;
- Children's Services Funding Support for Infant Mortality Reduction Task Force;
- \$250,000.00 to underwrite administrative expenses of county "Out of School Youth Initiative" that will contact every county High School Dropout between ages 15 and 22 [over 10,000] and, with the aid of over 23 agencies, work to obtain a commitment from each to re-enroll in a school home and pursue a high school diploma or equivalent;
- Negotiate a county wide Medicaid enrollment initiative out of indigent care levy funds designed to enroll all Medicaid eligible county residents and develop a placeholder for additional county resources, as they develop, that will result in county residents establishing health "homes", obtain measures of health insurance for the poor and



working poor and fight countywide unhealthy conditions of obesity and diseases that run off of obesity;

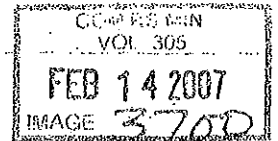
- Award \$49,600.00 of County Solid Waste Management District Funds to purchase 24 cubic foot Freezer Truck for retrieval of fresh meat, poultry and fish from 21 area Kroger Stores for distribution to over 161,000 people via Freestore Foodbank;
- \$100,000.00 in CDBG Funds of homeowner assistance, counseling and services via a new Homeownership Assistance Program administered by HOME, WIN and others that includes foreclosure counseling to protect homeowners against foreclosure abuse

Control Spending and Taxation and Size of Government

- Reduce County Administrator's recommended budget by an additional \$3 Million bringing total General Fund Budget to \$4.5 million below 2006 spending levels;
- Eliminate County Administrator's recommended Transfer Tax Increase maintaining Hamilton County's status as a low tax county in Ohio for Transfer Real Estate Taxes;
- General fund staffing decreases a net 88 full-time equivalent (FTE) positions;
- Increase Privatized County General Fund Services [non-public safety] to over 33%, and to over 50% in All Funds county Budget;
- \$50,000.00 for County and City Shared/Consolidated Services Initiative designed to result in consolidated governmental activities by multiple jurisdictions resulting in lowering size of governments, increasing efficiencies and reducing spending and taxation;
- Voter-approved decrease in the Hospitalization and Children's Services levies totaling 18% from 2006;
- Introduce in 2007 the benefits or activities that arise out of the Managed Competition and Efficiency Committee's review of fleet management, facilities management, and tuberculosis control that are doable and capable of producing meaningful savings;
- Consolidate Child Support Enforcement attorneys from the Prosecutor's Office to JFS (\$380,000 in savings);
- Implement the Commissioner-approved consolidation of the ADAS and Mental Health Boards for an estimated savings of \$700,000 to \$1,000,000 annually, which can be used to provide additional mental health and/or alcohol treatment services;
- Total spending decrease of 1.8%, or \$4.5 million from the revised 2006 budget (well under inflation of 3.0%).

Promote Economic Development

- A new economic development coordinator position to serve as a liaison for larger developments;
- Commit to funding the expansion of the Sharonville Convention Center;



- Develop a placeholder as funds from new sources materialize to create an economic development fund to assist First Suburbs in new economic development initiatives;
- Reinstate funding to Regional Planning to assist in First Suburbs activities such as Project Impact;
- Implement revised sewer district development policies;
- Inflationary increase for Hamilton County Development Company (HCDC) funding;
- Revise subdivision regulations to streamline application and review processes; and
- Increase Home Improvement Program (HIP) eligibility thresholds, expand advertising budget, and include certain commercial properties within business districts.

Improve County Management

- Negotiated favorable employee benefit rates for 2007 and continued the transition to a consumer-directed health plan;
- Implement a 3% raise for all county non-bargained for employees starting July 1 with a commitment to revisit possible retroactive implementation to January 1 should revenue picture improve;
- Initiate Courthouse employee pay equity analysis;
- Consolidated Juvenile Court facility management into the County Facilities Department;
- Begin Court Reporter modernization via technology (\$800,000 in savings);
- Continue a focused review of all vacancies during 2007, which in 2006 saved over \$500,000;
- During 2007, the management of the County's information technology will be examined for duplication of services and integration of county-wide enterprise issues (i.e., email systems); and
- Several departmental consolidations will be assessed in 2007.

In 2007 various development services housed under the Board of County Commissioners will be examined to determine whether some of those functions would be more effectively and appropriately housed under common agencies while still ensuring that the Commissioners fulfill its statutory responsibilities in these areas. The county's management of capital projects within the Public Works Department will also be examined to determine whether the existing organizational model is appropriate given current capacity and long-term expected workload in this area. It is anticipated that this analysis will result in some savings as these functions are more appropriately aligned.

In addition, we believe that our economic and community development priorities can be more effectively served by integrating the Community Development Department, which manages federal CDBG and HOME grants, with the Regional Planning Commission. In addition to its other roles, the Regional Planning Commission provides assistance to various Hamilton County communities experiencing redevelopment challenges. In the long run, a more unified organizational structure will help focus available resources toward the county's most pressing issues.

All Funds

The recommended 2007 budget for all funds totals \$1.15 billion and represents a \$52.8 million decrease (4.39%) from the 2006 approved budget. The decrease is primarily attributable to the elimination of the county's Section 8 housing program, the 2006 payment of the public safety radio notes, the reduction in the health and hospitalization levy, and the temporary suspension of stadium payments in lieu of taxes to the Cincinnati Public Schools.

These decreases are partially offset by increases in the Metropolitan Sewer District (MSD) budget. Consistent with the multi-year rate increase plan approved by the Commissioners in December 2005, the 2007 budget includes a 8.6% MSD rate increase to fund the continued operations as well as the significant capital investments required under the consent decrees concerning combined sewer overflows and sanitary sewer overflows. More detailed information on restricted funds is included in the budget summaries section of the recommended 2007 budget document.

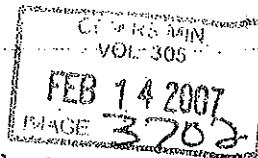
Fund Watch

Similar to the general fund, prudent financial management requires sufficient fund balance to guard against spikes in revenue flow and/or extraordinary one-time expenditures. For 2007, there are several restricted funds that will need to be monitored closely. These funds include the Water Rotary Fund, Dog and Kennel Fund, the Worker's Compensation Fund, and the Roads and Bridges Fund.

The Water Rotary Fund is an enterprise fund that provides for fire hydrant repair and maintenance within the unincorporated areas of Hamilton County. The revenue is generated from supplemental rates on water bills in these areas. The current rate does not generate sufficient resources for fire hydrant repair and maintenance operations. The administration has begun the process of hiring a consultant to recommend rate adjustments sufficient to operate the fire hydrant program over the next decade. In December I will ask the Commissioners to advance funding from the general fund balance to keep the Water Rotary Fund solvent until we implement the new rates. This advance will be repaid once any rate adjustment is implemented.

The Dog and Kennel Fund accounts for the dog licensing function as well as the county's support of the dog warden function and the animal shelter operated by the Hamilton County Society for the Prevention of Cruelty to Animals (SPCA). The license rate has not changed since 2001, but the administrative costs of the licensing program, the dog warden operations, and the contract with the SPCA have increased. The 2007 budget includes a \$425,000 general fund subsidy of the Dog and Kennel Fund. This funding level represents a \$100,000, or 30.8% increase from 2006. For 2008, I may need to recommend an increase in the dog license fee to reduce the general fund subsidy. During 2007, we will examine the contract with the SPCA and dog warden activities to ensure the county's resources are effectively used.

Similar to other employers in the state, the county participates in the state worker's compensation program. The amount the county pays each year is a factor of payroll and the county's claims



history. The county determines a rate each year in the budget process for anticipated worker's compensation costs for the coming year. Because actual claims are unknown and the county is part of a larger statewide risk pool of all entities participating in the state program, the actual costs vary year to year. The county has prudently built up a reserve in the Worker's Compensation Fund over the years, but the reserve and the current assessment rate will not support anticipated expenditure levels in the coming years. The rate is increased slightly in 2007, but will need to increase again in the 2008 budget. As a point of reference, the worker's compensation rate applies to all county positions with approximately 50% of the positions within the general fund.

The County Engineer manages the Roads and Bridges Fund. The resources for this fund come primarily from the local share of the state gasoline tax and the motor vehicle license tax, and are used to maintain the county's roads and bridges. The County Engineer develops project plans based on estimated resources and prioritization of project requests each year. To the extent that projects are reprioritized or emergencies arise, the fund must cover any shortfall. The anticipated fund balance for this fund at the end of 2007 totals \$1.1 million, or 4.9% of annual expenditures. The Engineer will need to closely monitor this fund to ensure that the fund balance is maintained in the coming years.

Compensation & Benefits

The budget is balanced fiscally and makes progress towards the Commissioners' policy areas. In addition, the budget also is cognizant of the Hamilton County workforce that will implement the programs and services included in this recommended budget.

The recommended 2007 budget includes a 3% general salary increase for non-represented staff commencing July 1, 2007, with represented staff receiving increases consistent with ratified labor contracts. Should the county's revenue picture improve in such a manner as to permit this Board with the ability to revisit this issue, including the consideration of making all such raises retroactive to January 1, 2007, the Commissioners will do so and we call upon County Administration to prepare Quarterly reports that will assess this potential.

We therefore recommend that salary ranges increase by this general salary adjustment. Since 2003, salary ranges have not been increased. As such, the county has fallen behind market ranges for some job classifications. This has made attracting and retaining staff difficult. During 2007, we will be identifying select positions that have fallen behind market ranges.

For our county employees, the recommended general salary increase is partially offset by a state mandated increase in the employee contribution rate to the Ohio Public Employees Retirement System (PERS) from 9.0% to 9.5%. This increase is part of a state-mandated three-year phased increase that raises the employee's contribution rate 0.5% each year from 2006 through 2008. In 2008, the total employee contribution rate to PERS will be 10.0%.

During 2007, the county will continue its transition to a consumer-directed health care program. The program, as approved by the Commissioners in October 2006, will encourage employees to take a more proactive role in accessing and using health care benefits. This will ultimately make county employees more informed consumers of health care benefits and reduce costs for the employees and the county.

A priority area for maintaining our staff is a continued commitment to professional development. The recommended 2007 general fund budget expands the employee tuition assistance program by \$75,000 to accommodate increasing utilization of this valuable program to encourage staff development.

OTHER BUDGET ISSUES

Jail Overcrowding

With the ballot defeat of the proposed increase in the county's sales tax to construct a 1,800-bed jail, the issues facing the county's corrections system did not disappear. The conclusions of the Corrections Master Plan and citizen-led Hamilton County Corrections Review Task Force are still valid. I look forward to working with the Commissioners, Sheriff, and other stakeholders at all levels of government and in the community to make building the jail and funding the associated inmate treatment programs a top priority in 2007.

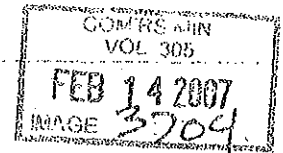
In the near-term, an alternative to county general fund resources must be found to continue the boarding of county inmates in Butler County. This \$6 million annual expense cannot be supported by the general fund without significant service reductions and/or increases in taxes and fees. Balancing this budget without raising taxes was difficult enough and was done at the expense of eliminating almost 90 general fund supported positions, to date. Furthermore, housing inmates in Butler County should not be considered a permanent solution because access to this facility is not guaranteed and Butler County will not house the county's female or high-risk male inmates. The County is working collaboratively with the City of Cincinnati to find an alternate short term solution in the form of a temporary facility and is exploring whether such a facility can be built in such a way as to be an element of the county's permanent jail overcrowding solution, saving county taxpayers millions of dollars in the process.

Job and Family Services Audits

As the Commissioners are fully aware, the county is responding to the audits of the county's Job and Family Services Department by the State Auditor's Office and the Ohio Department of Job and Family Services (ODJFS). The recommended 2007 budget includes \$800,000 for the county's review and response to the audits; however, it is unknown at this time if this funding level will be sufficient. These unanticipated costs will be, in part, funded with special levy interest earnings and was previously discussed on page VI.

The Banks Riverfront Development

On September 15, 2006, the Banks Working Group (BWG) entered into a Memorandum of Understanding (MOU) with AIG Global Real Estate Investment Corporation and Carter. Under the MOU, the BWG is working exclusively to negotiate a Master Development Agreement with AIG/Carter. The exclusive negotiating period expires on February 15, 2007. The BWG would ultimately recommend for consideration a proposed Master Development Agreement and an Infrastructure Development Agreement to the City Council and Board of County



Commissioners. To date, negotiations have focused on financial commitments, development mix, density, and phasing; public infrastructure development and funding; and regulatory and legislative approval processes.

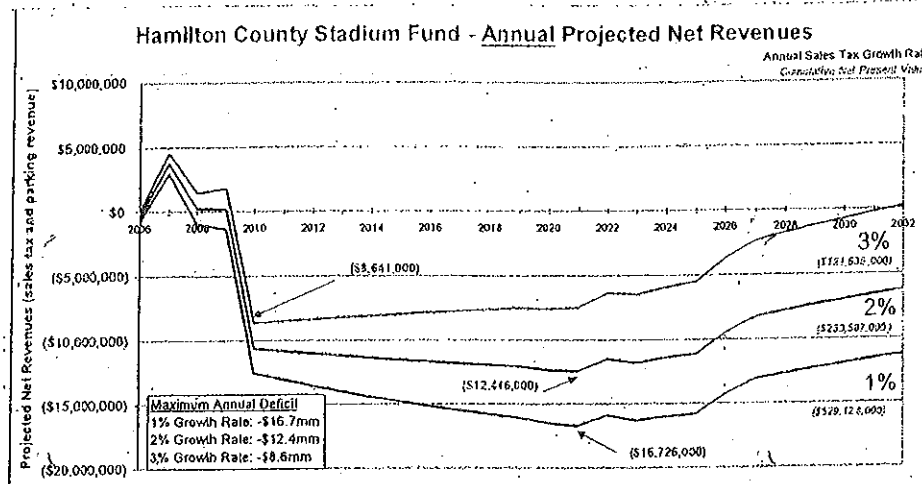
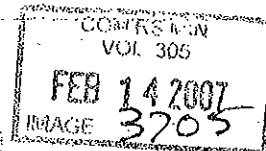
City and county staff have also continued to work with federal and state officials regarding approximately \$28 million of funding from various grants that has been identified for project infrastructure (streets and parking garage). Currently, staff is working with federal officials to determine which federal agency (Federal Transit Administration - FTA or Federal Highway Administration - FHWA) will serve as the lead in working with local government. City and county staff have met with the regional directors of both FTA and FHWA in recent months to assist in this process and to better educate them about the project. In related work, City and county staff, along with experienced construction management firms (Messer and Turner), conducted an extensive review of cost projections for the streets, garage and utilities associated with the Banks project. This effort confirmed estimated costs for all Banks infrastructure of \$77-80 million in 2006 dollars.

Stadium Sales Tax Fund

Hamilton County has constructed over \$940 million of public improvements along the riverfront in the past eight years. The improvements include Paul Brown Stadium (2000), Great American Ball Park (2003-2004), street improvements (2000-2004), and both surface and structured parking (2000-2004). The primary funding source for these riverfront projects is the ½ cent sales tax approved by voters in 1996. The ½ cent sales tax is expected to generate \$64 million in 2006. The county issued a total of \$694.5 million in debt in two large issuances, 1998 (ending in 2027) and in 2000 (ending in 2032) for the construction of the stadiums and related infrastructure.

Currently, the outstanding sales tax debt related to the riverfront projects is \$606.1 million. Entering 2006, the county had a fund balance of \$11.9 million within the stadium sales tax fund and was projecting an annual deficit within the fund. Recently, the Commissioners agreed to amend the payment-in-lieu of taxes (PILOT) agreement with the Cincinnati Public Schools (CPS) to provide the county with \$39.5 million of cash flow relief from 2006-2009. In gaining this relief, the county did not incur additional costs as the present value of the revised structure is approximately equal to the previous agreement with CPS.

Market conditions also have presented an opportunity to refund some portion of the existing sales tax debt. Depending on the market, we project a present value savings of \$15-20 million. This refunding is expected to be completed by the end of November 2006. The chart that follows depicts the projected annual net revenue within the stadium sales tax fund. The impact of bond refunding is not included in the chart. Given current projections at 1-2% annual sales tax growth, an overall fund deficit is projected in 2013-2014.



Historical Sales Tax Growth: 5 Year Average = 1.06% 10 Year Average = 3.08%
Note: Sales tax revenue projections are based on 2005 revenues. This financial model does not include \$9.6 million outstanding from the State of Ohio's original \$81 million promise. Net Revenues do not reflect Fund Balances at 2005 year end. Net Revenues include estimated PILOT payment adjustments (as of 11/8/06).

Source: Public Financial Management, Inc. 11/06/06

CONCLUSION

Difficult choices and departmental sacrifices were made to develop this balanced budget. Each decision is a value judgment that will be open to interpretation, but on balance, this budget maintains existing services and invests in priority areas. We wish to publicly thank the other elected officials and department heads for their assistance in preparing this budget. Additionally, we want to acknowledge the considerable efforts of the Office of Budget and Strategic Initiatives in preparing and executing the budget process, Christian Sigman Director and, of course, the hard work and dedicated efforts of Hamilton County Administrator Patrick Thompson.

Respectfully submitted,

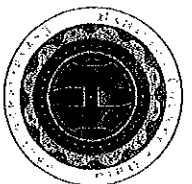
Todd Fortune
President, Hamilton County Commission

David Pepper
Vice President, Hamilton County Commission

Pat DeWine
Hamilton County Commissioner

Hamilton County, Ohio

** Elected Officials in GREEN



BOARD OF COUNTY COMMISSIONERS

PATRICK THOMPSON

JEFF ALUOTTO

CHRISTIAN SIGMAN

MOIRA WEIR

ERIC STUCKEY

Kara Park

Public Works	Environmental / Infrastructure	Budget / Finance	Public Safety / Judicial	Job and Family Services	Social Services	Economic Development	Administration
<ul style="list-style-type: none"> County Engineer Stormwater Utility County Facilities Environmental Services Metropolitan Sewer District Public Works Water Works / Water Rotary 	<ul style="list-style-type: none"> Board of Health Board of Zoning Appeals Building Inspections CAGIS Communications Center Community Development Museum Center OKI OSU Extension Planning and Zoning Soil & Water 	<ul style="list-style-type: none"> Budget and Strategic Initiatives Budget MSD Finance Board & Commissions Tax Levy Review Committee Competition & Efficiency Hospital Commission Public Library Regional Computer Center Zoo & Botanical Gardens Auditor Treasurer 	<ul style="list-style-type: none"> CLEAR Dog Warden / SPCA Emergency Management Probation River City Correctional Facility Clark of Courts Prosecutor Public Defender Sherriff Courts 	<ul style="list-style-type: none"> Children's Services Child Support Services Client Services Health Services / TB Control Medicaid Workforce Development 	<ul style="list-style-type: none"> Drake Center Family and Children First Health and Hospitalization Levy MHASB MRDD Senior Services Veterans Services 	<ul style="list-style-type: none"> 3CDC Airport Banks Working Group Chamber of Commerce Community Development Community Improvement Corp. Convention Facilities Authority DCI Economic Development Gr. Cincinnati CVB HODC Northern Cincinnati CVB Port Authority Regional Tourism Network Stadiums 	<ul style="list-style-type: none"> Administrative Services Personnel Purchasing Risk Management Small Business Board of Elections Fair Board Park District SORTA County Recorder